

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7350**

**BILL NUMBER:** HB 1448

**NOTE PREPARED:** Jan 12, 2009

**BILL AMENDED:**

**SUBJECT:** Indiana long term care savings plan.

**FIRST AUTHOR:** Rep. Welch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** Pending

**Summary of Legislation:** Establishes a long term care savings plan (plan) for a participant to fund an account to pay eligible long term care expenses of the participant. Authorizes the board of trustees of the public employees' retirement fund (PERF board) to administer the plan or enter into agreements with financial institutions to receive participant contributions in the form of account deposits. Limits plan contributions to \$165,000 during a participant's lifetime. Indexes the limitation for inflation. Provides a state income tax deduction of \$1,000 for an individual and \$2,000 for a joint return for contributions to the plan in a taxable year. Provides that qualified withdrawals from the plan to pay eligible long term care expenses are exempt from state income tax, and nonqualified withdrawals are subject to a 10% penalty and state income tax on the amount withdrawn. Establishes a long term care savings plan trust (trust) administered and managed by the PERF board to invest participants' contributions to the plan. Provides that the plan and the trust are not obligations of the state.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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